

Subject copy is on file in DDP/PC

Rm 1A14, Hqs

ext 7274

~~CONFIDENTIAL~~

PROCESSING ACTION

DISPATCH

CLASSIFICATION

MARKED FOR INDEXING

TO	All Chiefs	25X1A	I	NO INDEXING REQUIRED
INFO.				ONLY QUALIFIED DESK CAN JUDGE INDEXING
FROM	Chief,	25X1A		MICROFILM
SUBJECT	Insurance			

ACTION REQUIRED - REFERENCES

REFERENCE: [REDACTED], 22 November 1963
25X1A

25X1A

1. [REDACTED] told about the announced increase for in-patient hospitalization charges [REDACTED] as of 1 January 1964. As a result of this announcement, the underwriter of the Association Benefit Plan was asked to provide a schedule for reimbursement. The underwriter has established the following schedule for reimbursement, applicable only to hospitalization charges described above:

25X1C

APPORTIONMENT OF DAILY CHARGE OF \$37.00 FOR IN-PATIENT SURGICAL OR NON-SURGICAL SERVICES

a. High Option

Plan will pay \$20.00 per day as allowance for room and board for up to 90 days.

Plan will pay the first \$202.50 of the difference between the rate of \$20.00 per day and the total charges for confinement.

Plan will pay 80% of additional charges above \$202.50 up to \$5000.00 for each 90 day confinement.

The 20% in excess of the \$202.50 may be applied to the major medical benefits. (\$100 deductible)

b. Low Option (NOTE: \$20.00 of the \$37.00 daily charge has been established by the underwriter as the assessment for room and board, i.e., as if there was a daily charge for room and board of \$20.00)

Plan will pay \$13.50 per day as allowance for room and board for up to 90 days.

Employee will pay \$6.50 per day for room and board for up to 90 days.

Plan will pay the first \$202.50 of the difference between the rate of \$20.00 per day and the total charges for confinement.

DOC	REV DATE	31 AUG
CRIS COMP	BY	029-200
ORIG CLASS	TYPE	01
JUST	CLASS	C
NEXT REV	2011	
AUTH		

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
25X1A	[REDACTED]	23 DEC 1963
CLASSIFICATION		HQS FILE NUMBER
CONFIDENTIAL		None. After the dispatch has served its purpose, it should be destroyed.

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CONTINUATION OF DISPATCH	CLASSIFICATION S-E-C-R-E-T	DISPATCH SYMBOL AND NUMBER [REDACTED]
<p>Plan will pay 80% of additional charges above \$202.50 up to \$5000.00 for charges represented by the daily charge (\$37.00) minus \$20.00 times the number of days hospitalized for each confinement. The employee will pay the remainder.</p>		
<p>c. <u>Maternity Benefits (Normal Delivery)</u></p>		
<p>(1) <u>High Option</u></p>		
<p>Plan will pay \$16.00 per day up to 8 days for room and board.</p>		
<p>Plan will pay up to \$100.00 of the difference between the above and the total hospital charges.</p>		
<p>(2) <u>Low Option</u></p>		
<p>Plan will pay \$10.00 per day up to 8 days for room and board.</p>		
<p>Plan will pay up to \$100.00 of the difference between the above and the total hospital charges.</p>		
<p><u>NOTE:</u> In case of Caesarean Section or miscarriage, rates of reimbursement will be made as shown in 1a and 1b for surgical or non-surgical services.</p>		
<p>2. <u>EXAMPLES:</u></p>		
<p>a. Assume 11 DAYS IN HOSPITAL WITH OR WITHOUT SURGERY</p>		
<u>HIGH OPTION</u>		<u>LOW OPTION</u>
<u>Charges</u>		<u>Charges</u>
11 x \$37.00	<u>\$407.00</u>	11 x \$37.00
		<u>\$407.00</u>
<u>Reimbursement</u>		<u>Reimbursement</u>
Room & Board		Room & Board allowance
11 x \$20.00	\$220.00	11 x \$13.50
		<u>\$148.50</u>
Hospital Extras	187.00	Room & Board paid by employee
	<u>\$407.00</u>	11 x \$6.50
		71.50
		<u>\$220.00</u>
		Balance (paid as hospital extras)
		187.00
		<u>\$407.00</u>
		<u>Total to be paid by employee</u>
		<u>\$ 71.50</u>

25X1A

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CONTINUATION OF DISPATCH		CLASSIFICATION S-E-C-R-E-T	DISPATCH SYMBOL AND NUMBER [REDACTED]
25X1A			
b. Assume 20 DAYS IN HOSPITAL WITH OR WITHOUT SURGERY			
<u>HIGH OPTION</u>		<u>LOW OPTION</u>	
<u>Charges</u>		<u>Charges</u>	
20 x \$37.00	\$740.00	20 x \$37.00	\$740.00
<u>Reimbursement</u>		<u>Reimbursement</u>	
Room & Board 20 x \$20.00	<u>400.00</u>	Room & Board 20 x \$13.50	<u>270.00</u>
Balance	340.00	Balance	470.00
Hospital Extras	<u>202.50</u>	Room & Board to be paid by employee 20 x \$6.50	<u>130.00</u>
Balance	137.50	Balance	340.00
80% x \$137.50	<u>110.00</u>	Hospital Extras	<u>202.50</u>
To be applied by employee toward \$100 deductible	\$ <u>27.50</u>	Balance	137.50
		80% x \$137.50	<u>110.00</u>
		Hospital Extras to be paid by employee	<u>27.50</u>
			\$130.00
			<u>27.50</u>
		<u>Total to be paid by employee</u>	<u>\$157.50</u>
c. NORMAL DELIVERY MATERNITY BENEFITS			
Assume SIX DAYS IN-PATIENT CARE			
<u>HIGH OPTION</u>		<u>LOW OPTION</u>	
<u>Charges</u>		<u>Charges</u>	
6 x \$37.00	\$222.00	6 x \$37.00	\$222.00
<u>Reimbursement</u>		<u>Reimbursement</u>	
6 x \$16.00	\$ 96.00	6 x \$10.00	\$ 60.00
Supplemental allowance	<u>100.00</u> <u>\$196.00</u>	Supplemental allowance	<u>100.00</u> <u>\$160.00</u>
To be paid by employee	\$ <u>26.00</u>	To be paid by employee	\$ <u>62.00</u>
<p>3. When hospitalization expenses of an eligible dependent are reimburseable under the provisions of [REDACTED], the employee is required to pay the first \$35.00. If the dependent is covered by the Association Benefits Plan and the hospital is in a [REDACTED] the \$35.00 will be reimbursed as follows:</p> <p style="text-align: right;">25X1C4a</p> <p>a. High Option - the plan will pay the \$35.00</p> <p>b. Low Option - the plan will pay \$28.50 and the employee will pay \$6.50</p>			
		CLASSIFICATION S-E-C-R-E-T	<input checked="" type="checkbox"/> CONTINUED
USE PREVIOUS EDITION.		PAGE NO. 3	
Approved For Release 2000/06/07 : CIA-RDP79-00639A000100060001-6			

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CONTINUATION OF
DISPATCH

CLASSIFICATION

S-E-C-R-E-T

DISPATCH SYMBOL AND NUMBER

25X1A

4. Advance Authority

An employee may request an advance of official funds, subject to approval by an authorized approving official, for hospitalization and related expenses in an amount not in excess of that for which, in the opinion of the approving official, the employee may expect reimbursement under his health benefits plan. The appropriate

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will be amended to specifically authorize this type of advance; pending the issuance of such amendment this dispatch may be cited as authorization for such advances. Such advances must be repaid by the employee promptly upon his receipt of notification that his claim has been settled. Authority for advances for hospitalization and related expenses for which reimbursement is due an employee under the provisions of

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FOR THE CHIEF

25X1A2d1

25X1A2e

CLASSIFICATION

S-E-C-R-E-T



CONTINUED

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25X1A

TO : All Chiefs

FROM : Chief,

25X1A2d1

SUBJECT : Insurance

25X1A REFERENCE: - 22 November 1963

25X1A 1. told about the announced increase for 25X1C4a

in-patient hospitalization charges for

25X1C4a as of 1 January 1964. As a result of this announcement, the underwriter of the Association Benefit Plan was asked to provide a schedule for reimbursement. The underwriter has established the following schedule for reimbursement; Applicable only to hospitalization charges described above:

**APPORTIONMENT OF DAILY CHARGE OF \$37.00 FOR
IN-PATIENT SURGICAL OR NON-SURGICAL SERVICES**

a. High Option

Plan will pay \$20.00 per day as allowance for room and board for up to 90 days.

Plan will pay the first \$202.50 of the difference between the rate of \$20.00 per day and the total charges for confinement.

Plan will pay 80% of additional charges above \$202.50 up to \$5000.00 for each 90 day confinement.

The 20% in excess of the \$202.50 may be applied to the major medical benefits. (\$100 deductible)

b. Low Option (NOTE: \$20.00 of the \$37.00 daily charge has been established by the underwriter as the assessment for room and board, i.e., as if there was a daily charge for room and board of \$20.00)

Plan will pay \$13.50 per day as allowance for room and board for up to 90 days.

Employee will pay \$6.50 per day for room and board for up to 90 days.

Plan will pay the first \$202.50 of the difference between the rate of \$20.00 per day and the total charges for confinement.

Plan will pay 80% of additional charges above \$202.50 up to \$5000.00 for charges represented by the daily charge (\$37.00) minus \$20.00 times the number of days hospitalized for each confinement. The Employee will pay the remainder.

c. Maternity Benefits (Normal Delivery)

(1) High Option

Plan will pay \$16.00 per day up to 8 days for room and board.

Plan will pay up to \$100.00 of the difference between the above and the total hospital charges.

(2) Low Option

Plan will pay \$10.00 per day up to 8 days for room and board.

Plan will pay up to \$100.00 of the difference between the above and the total hospital charges.

NOTE: In case of Caesarean Section or miscarriage, rates of reimbursement will be made as shown 1a and 1b for surgical or non-surgical services.

2. EXAMPLES:

(a) Assume 11 DAYS IN HOSPITAL WITH OR WITHOUT SURGERY

HIGH OPTION

<u>Charges</u>	
11 x \$37.00	<u>\$407.00</u>
<u>Reimbursement</u>	
Room & Board 11 x \$20.00	\$220.00
Hospital Extras	<u>187.00</u>
	<u>\$407.00</u>

LOW OPTION

<u>Charges</u>	
11 x \$37.00	<u>\$407.00</u>
<u>Reimbursement</u>	
Room & Board allowance 11 x \$13.50	\$148.50
Room & Board paid by employee 11 x \$6.50	<u>71.50</u>
	<u>\$220.00</u>
Balance (paid as hospital extras)	<u>187.00</u>
	<u>\$407.00</u>
<u>Total to be paid by employee</u>	<u>\$ 71.50</u>

(b) Assume 20 DAYS IN HOSPITAL WITH OR WITHOUT SURGERY

HIGH OPTION

<u>Charges</u>	
20 x \$37.00	<u>\$740.00</u>
<u>Reimbursement</u>	
Room & Board 20 x \$20.00	<u>400.00</u>
Balance	340.00
Hospital Extras	<u>202.50</u>
Balance	137.50
80% x \$137.50	<u>110.00</u>
applied To be paid by employee toward \$100 deductible	<u>\$ 27.50</u>

LOW OPTION

<u>Charges</u>	
20 x \$37.00	\$740.00
<u>Reimbursement</u>	
Room & Board 20 x \$13.50	<u>270.00</u>
Balance	470.00
Room & Board to be paid by employee 20 x \$6.50	<u>130.00</u>
Balance	340.00
Hospital Extras	<u>202.50</u>
Balance	137.50
80% x \$137.50	<u>110.00</u>
Hospital Extras to be paid by employee	<u>27.50</u>
	\$130.00
	<u>27.50</u>
Total to be paid by employee	<u>\$157.50</u>

(c) NORMAL DELIVERY MATERNITY BENEFITS

Assume SIX DAYS IN -PATIENT CARE

HIGH OPTION

Charges

6 x \$37.00 \$222.00

Reimbursement

6 x \$16.00 \$ 96.00

Supplemental allowance 100.00
 \$196.00

To be paid by employee \$ 26.00

LOW OPTION

Charges

6 x \$37.00 \$222.00

Reimbursement

6 x \$10.00 \$ 60.00

Supplemental allowance 100.00
 \$160.00

To be paid by employee \$ 62.00

3. When hospitalization expenses of an eligible dependent are reimburseable

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under the provisions of [REDACTED] the employee is required to pay the

first \$35.00. If the dependent is covered by the Association Benefits Plan 25X1C4a

and the hospital is in [REDACTED] the \$35.00 will be reimbursed as follows:

(a) High Option - the plan will pay the \$35.00

(b) Low Option - the plan will pay \$28.50 and the employee will pay \$6.50

4. Advance Authority

An employee may request an advance of official funds, subject to approval by an authorized approving official, for hospitalization and related expenses in an amount not in excess of that for which, in the opinion of the approving official, the employee may expect reimbursement under his health

25X1A

benefits plan. [REDACTED] amended to specifically

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authorize this type of advance; pending the issuance of such amendment this dispatch may be cited as authorization for such advances. Such advances must be repaid by the employee promptly upon his receipt of notification that his claim has been settled. Authority for advances for hospitalization and related expenses for which reimbursement is due an employee [REDACTED]

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[REDACTED], Overseas Medical Benefits, is now reflected in that [REDACTED]

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